



**CENTRE WELLINGTON HYDRO LTD.**  
730 Gartshore St. P.O. Box 217, Fergus, Ontario, N1M 2W8  
PHONE: (519) 843-2900 FAX: (519) 843-7601

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March 29, 2012

Kirsten Walli, Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Centre Wellington Hydro Ltd. – License #ED-2002-0498**  
**2011 Rate Application – 3<sup>rd</sup> Generation Incentive Regulation Mechanism**  
**Reply to Decision and Order**  
**OEB File No.: EB-2011-0160**

Centre Wellington Hydro Ltd has filed the following revised models in Microsoft Excel and word format as requested in the OEB Decision and Order dated March 22, 2012:

1. Centre Wellington's EB-2011-0160 Tariff of Rates and Charges
2. Centre Wellington's 2012 IRM Rate Generator Model
3. Centre Wellington's 2012 IRM Incremental Capital Workform
4. Centre Wellington's 2012 IRM Incremental Capital Project Worksheet

Centre Wellington is confirming that the following items have been addressed in the revised models:

1. Account 1562 disposition is being filed under a separate application.
2. Price Cap Index Adjustment has been adjusted to reflect 0.68%
3. The Tariff of Rates and Charges has been revised to reflect the new RRRP rate of \$0.0011 per kWh effective May 1, 2012.
4. Shared Tax Savings credit amount of \$2,492 will be recorded in account 1595 for future disposition.
5. Retail Transmission Service Rates as provided in the Decision and Order does not apply to Centre Wellington and therefore has not been adjusted.
6. Group 1 Deferral and Variance accounts balances will not be disposed of as the threshold test was not met.



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7. The debit balance in the 1521-Special Purpose Charge of \$2,357.13 will be transferred to the applicable 1595 principal and interest subaccounts.
8. The Rate Rider for LRAM and SSM Recovery has been adjusted to reflect the OEB approved amounts of \$49,850.61 for LRAM and \$1,509.52 for SSM.
9. The Incremental Capital Module has been adjusted to reflect:
  - a) the removal the SCADA project
  - b) the inclusion of the rehabilitation of the Fergus MS-2 substation as approved by the OEB Board;
  - c) the half year depreciation rule was applied;
  - d) the 60/40 debt/equity rules were applied;
  - e) Cost of Capital parameters from 2009 COS application was applied;
  - f) the Stretch Factor of 0.6% was applied;
  - g) the ICM Rate Rider has been shown as the Board approved variable rate option;
  - h) the ICM Rate Rider is for the period of May 1, 2012 to April 30, 2013.

The following items are being sent by way of courier:

1. Two paper copies of the draft Rate Order.
2. The CD with the draft Rate Order and revised models in Microsoft Excel format.

If you have any questions, please contact the undersigned.

Yours truly,

*Original Signed By:*

Florence Thiessen, CGA  
Vice President / Treasurer  
Centre Wellington Hydro Ltd.  
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